

January 24, 2023



Current Price: ₹ 933.35

STOCK DATA

BSE Code	532215
NSE Symbol	AXISBANK
Reuters	AXBK.BO
Bloomberg	AXSB IN

VALUE PARAMETERS

52 W H/L(Rs)	970.45/618.10
Mkt. Cap.(Rs Cr)	287051.31
Latest Equity(Subscribed)	615.10
Latest Reserve (cons.)	123949.70
Latest EPS (cons.) -Unit Curr.	55.88
Latest P/E Ratio -cons	16.70
Latest Bookvalue (cons.) -Unit Curr.	405.02
Latest P/BV - cons	2.30
Dividend Yield -%	0.11
Face Value	2.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	54.02
Institutions	30.70
Non Promoter Corp. Hold.	1.31
Promoters	7.98
Public & Others	5.99

Financial Results

In Cr.

Particulars	Qtr Ended	Qtr Ended	Var %
	Dec. 22	Dec. 21	
Interest Earned	22226.43	17261.12	29
Interest Expended	10767.11	8608.59	25
Net Interest Income	11459.32	8652.53	32
Other Income	4665.44	3840.36	21
Net Total Income	16124.76	12492.89	29
Operating Expenses	6847.27	6331.36	8
Operating Profits	9277.49	6161.53	51
Provisions & Contingencies	1437.73	1334.83	8
Profit Before Tax	7839.76	4826.7	62
Provision for tax	1986.69	1212.46	64
PAT	5853.07	3614.24	62
EPS*(Rs)	19.03	11.78	

Axis Bank Q3FY23 Results: Continues robust show and beats estimate

Axis Bank has reported 62% surge in net profit at Rs 5853.07 crore for the quarter ended December 2022 (Q3FY2023). The bank has posted healthy 32% growth in net interest income (NII), while the core fee income of the bank also improved 23% in Q3FY2023. The Net Interest Margin (NIM) of the bank improved to 4.26% in Q3FY2023 compared to 3.53% in the corresponding quarter of previous year.

On business front, the bank as has posted 12% growth in business with strong 15% surge in loan book. The asset quality of the bank was stable in Q3FY2023. Bank has improved the credit to deposit ratio to 89.8% at end December 2022 from 86.2% at end December 2021. CASA ratio of the bank was stable at 44.5% end December 2022 from 44.7% at end December 2021.

Asset quality improves: The bank has maintained stable asset quality in Q3FY2023.

- The fresh slippages of loans stood at Rs 3807 crore in Q3FY2023 compared with 3383 crore in previous quarter and Rs 4147 crore in the corresponding quarter last year.
- The recoveries and upgradations of NPAs at Rs 2088 crore and the write-off of loans was at Rs 1652 crore in Q3FY2023.
- The standard restructured loan book of the bank declined to Rs 2482 crore end December 2022.
- Provision coverage ratio was steady at 93% at end December 2022 compared to 93% a quarter ago and 89% a year ago.
- The capital adequacy ratio of the bank stood at 17.6% with Tier I ratio at 14.2% at end December 2022.

Business Highlights:

Healthy business growth: The business of the bank has increased 12% YoY to Rs 1610248 crore end December 2022, driven by 15% surge in advances to Rs 762075 crore. Deposits rose 10% to Rs 848173 crore at end December 2022.

Asset Quality Indicators

Particulars	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Variation		
	Dec-22	Sept-22	Jun-22	Mar-22	Dec-21	QoQ	YTD	YoY
Gross NPA (Rs Crore)	19961.02	19893.73	21036.77	21822.32	23301.19	0	-9	-14
Net NPA (Rs Crore)	3830.10	3995.54	4780.62	5512.16	6513.05	-4	-31	-41
% Gross NPA	2.38	2.50	2.76	2.82	3.17	-12bps	-44bps	-79bps
% Net NPA	0.47	0.51	0.64	0.73	0.91	-4bps	-26bps	-44bps
% PCR	93.00	93.00	92.00	91.00	89.00	0	200bps	400bps
% CRAR - Basel III	17.60	16.52	17.28	18.54	17.44	108bps	-94bps	16bps
% CRAR - Tier I - Basel III	14.24	14.55	15.24	16.34	15.18	-31bps	-210bps	-94bps

Variation in basis points for figures given in percentages and in % for figures in Rs crore

CASA deposits ratio steady: The CASA deposits of the bank increased 10% YoY to Rs 377713 crore at end December 2022. The CASA ratio was steady on sequential basis at 44.5% at end December 2022 compared to 44.7% at end December 2021, while declined from 46.2% a quarter ago.

Strong loan growth: Advances growth was driven by retail loans rising 17% YoY to Rs 429313 crore at end December 2022, while credit to MSME increased 24% to Rs 82190 crore at end December 2022. The corporate credit has moved up 8% to Rs 250572 crore end December 2022.

Investment book of the bank increased 15% YoY to Rs 305103 crore at end December 2022. The AFS book jumped 31% to Rs 97633 crore, while HTM book rose 10% to Rs 204419 crore at end December 2022.

Margins improve: The bank has showed sharp 57 bps YoY increase in cost of deposits to 4.34%. The NIM has improved 73 bps YoY to 4.26% .

Branch expansion: The bank has added 89 branches and reduced 369 ATMs in in Q3FY2023, taking overall tally to 4849 branches and 15674 ATM ` s end December 2022.

Book value of the bank stood at Rs 426.0 per share at end December 2022, while the adjusted book value (net of NNPA and 10% of restructured advances) was Rs 412.7 per share at end December 2022.

Quarterly Performance

NII rises as NIM improves: Bank has recorded 29% increase in the interest earned at Rs 22226.43 crore, while interest expenses increased 25% to Rs 10767.11 crore in Q3FY2023. NII improved 32% to Rs 11459.32 crore in the quarter ended December 2022.

Healthy growth in the core fee income: Bank has posted strong 23% growth in core fee income to Rs 4101 crore, while the treasury income jumped 17% to Rs 428 crore and other income rose 5% to Rs 136 crore, supporting 21% jump in the overall non-interest income to Rs 4665.44 crore in the quarter ended December 2022.

Expenses ratio dips: The operating expenses of the bank rose 8% to Rs 6847.27 crore, as other expenses moved up 4% to Rs 4566.22 crore, while employee expenses moved up 18% to Rs 2281.05 crore in Q3FY2023. Cost to income ratio declined to 42.5% in Q3FY2023 compared with 50.7% in Q3FY2022, helping the Operating Profit to increase 51% to Rs 9277.49 crore.

Provisions and contingencies rise: The bank has showed 8% increase in provisions to Rs 1437.73 crore. The loan loss provisions surged 70% to Rs 1341 crore, while standard asset provisions rose 6% to Rs 106 crore. the bank has written back other provisions of Rs 9 crore.

Effective tax rate rose slightly to 25.3% in Q3FY2023 from 25.1% in Q3FY2022. Net Profit

surge 62% YoY to Rs 5853.07 crore during quarter ended December 2022.

Subsidiaries' Performance

The Bank's domestic subsidiaries delivered steady performance with annualized 9MFY23 PAT of Rs 1252 crore, up 8% YOY.

Axis Finance: Axis Finance has been investing in building a strong customer focused franchise. Its overall AUM grew 38% YOY. Retail book grew over 2 times and constituted 44% of total loans, up from 13% two years ago. The focus in its wholesale business continues to be on well rated companies and cash flow backed transactions. Axis Finance remains well capitalized with total Capital Adequacy Ratio of 22.2%. The book quality remains strong with net NPA at 0.37%. Axis Finance 9MFY23 PAT was Rs 340 crore, up 35% YOY from Rs 251 crore in 9MFY22.

Axis AMC: Axis AMC's average AUM for the quarter stood at Rs 2,48,220 crore. Its Q3FY23 PAT grew 16% YOY. 9MFY23 PAT stood at Rs 292 crore.

Axis Capital: Axis Capital completed 12 and 33 investment banking transactions in Q3FY23 and 9MFY23 respectively. Its PAT for 9MFY23 stood at Rs 110 crore.

Axis Securities: Axis Securities' broking revenues for 9MFY23 grew 10% YOY to Rs 533 crore. PAT for 9MFY23 stood at Rs 151 crore.

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